

Auditing Procedures Report V1.04

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Issued under Public Act 2 of 1968, as amended.

Unit Name	Township of Woodhull	County	SHIAWASSEE	Type	TOWNSHIP	MuniCode	78-1-160
Opinion Date-Use Calendar	Jul 22, 2008	Audit Submitted-Use Calendar	Jul 31, 2008	Fiscal Year-Use Drop List	2008		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/>	18. Are there reported deficiencies?
<input checked="" type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 491,323.00
General Fund Expenditure:	\$ 356,537.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 855,621.00
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Jeffrey	Last Name	Stevens	Ten Digit License Number			1101015823
CPA Street Address	544 Cherbourg Drive	City	Lansing	State	MI	Zip Code	48917
CPA Firm Name	Maner, Costerisan & Ellis, P.C.	Unit's Street Address	9053 West Beard Road	City	Shafterburg	LU Zip	48848

TOWNSHIP OF WOODHULL
REPORT ON FINANCIAL STATEMENTS
(with required supplementary and additional information)
YEAR ENDED MARCH 31, 2008

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Walter P. Maner, Jr. (1921-2004)
Floyd L. Costerisan
Leon A. Ellis (1933-1988)

INDEPENDENT AUDITORS' REPORT

Township Supervisor and
Members of the Township Board
Township of Woodhull
Shaftsburg, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Woodhull, State of Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Woodhull, State of Michigan, as of March 31, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages vi through xiv and 18 through 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Woodhull's basic financial statements. The individual fund financial statements and other additional information presented in pages 23 through 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and other additional information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Maner, Costeusan + Ellis, P.C.

July 22, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Township of Woodhull (Township), we offer readers of the Township of Woodhull's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2008.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by approximately \$1.9 million dollars (net assets). Of this amount, approximately \$963 thousand (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by approximately \$104 thousand.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of approximately \$995 thousand, an increase of \$140 thousand in comparison with the prior year. Approximately \$958 thousand is available for spending.
- At the end of the current fiscal year, unreserved fund balance for the general fund was approximately \$826 thousand, or 232 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and additional information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes, special assessments and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, health and welfare, community and economic development, culture and recreational, and other functions.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information and for the special revenue funds in the additional information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 3 through 5 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 6 of this report.

Notes to the financial statements. The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7 through 17 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's general fund and special revenue budget. Required supplementary information can be found on pages 18 through 22 of this report.

Combining and individual fund statements and schedules can be found on pages 23 through 31 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$1.9 million at the close of the most recent fiscal year.

By far the largest portion of the Township's net assets (48 percent) reflects its investment in capital assets (e.g., land, building, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the Township does not have any outstanding debt.)

Township of Woodhull's Net Assets

	Governmental activities	
	2008	2007
Current and other assets	\$ 1,012,493	\$ 870,781
Capital assets	923,053	958,492
Total assets	1,935,546	1,829,273
Current liabilities	12,348	10,371
Net assets:		
Invested in capital assets	923,053	958,492
Restricted	37,417	66,411
Unrestricted	962,728	793,999
Total net assets	\$ 1,923,198	\$ 1,818,902

An additional portion of the Township's net assets (2 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets (\$963 thousand) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances.

The government's net assets increased by \$104 thousand during the current fiscal year. The majority of this increase represents the degree in which increases in ongoing revenues have outstripped similar increases in ongoing expenditures.

Governmental activities. Governmental activities increased the Township's net assets by approximately \$104 thousand. Key elements of this increase are as follows:

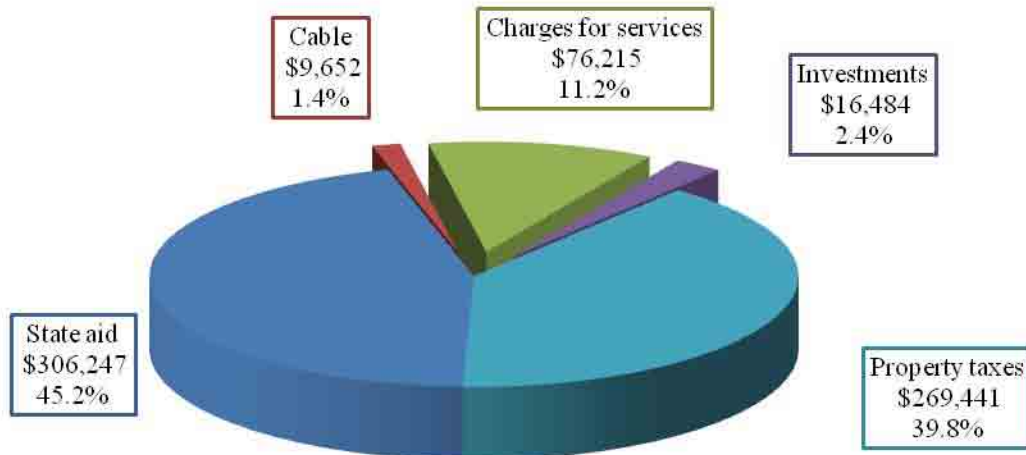
Township of Woodhull's Changes in Net Assets

	Governmental activities	
	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$ 76,215	\$ 77,329
General revenues:		
Property taxes:		
Levied for general purposes	152,404	145,693
LSW fire authority	117,037	118,508
State sources	306,247	262,690
Cable franchise fee	9,652	9,264
Investment earnings	16,484	14,048
Total revenues	678,039	627,532
Expenses:		
General government	231,296	268,583
Public safety	137,365	149,835
Public works	102,279	36,950
Health and welfare	64,730	67,679
Community and economic development	3,485	4,429
Cultural and recreational	17,144	17,970
Other functions	17,444	16,469
Total expenses	573,743	561,915
Increase in net assets	104,296	65,617
Net assets, beginning of year	1,818,902	1,753,285
Net assets, end of year	\$ 1,923,198	\$ 1,818,902

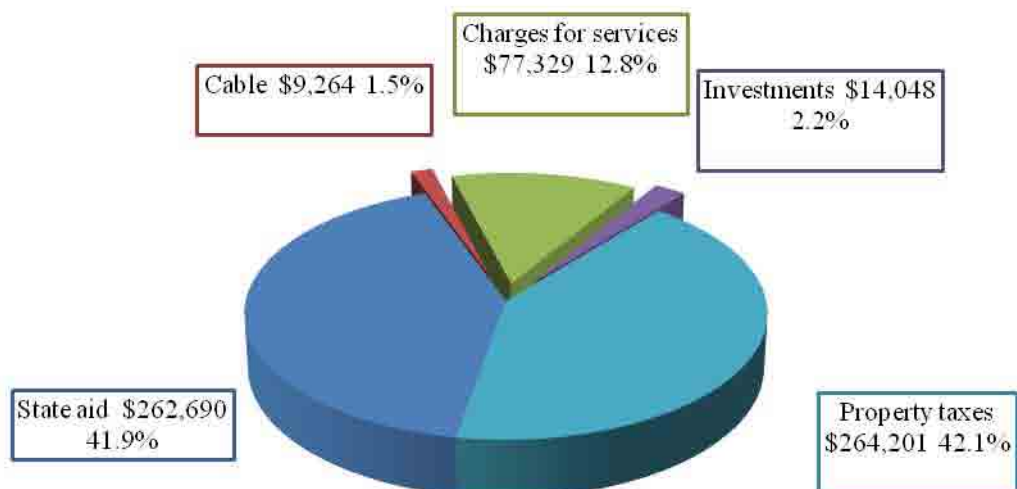
- Property taxes increased by \$5,240 (2 percent) during the year. The increase in property value was able to offset the decrease in the tax levy.
- Investment income increased by \$2,436 (17 percent) during the year. Most of this increase is due to increased interest earned on deposits
-
- Charges for service decreased by \$1,114 (1 percent) during the year. Most if this decrease is due to the special assessment for ambulance service.
- Overall government activities revenue increased \$50,507 from the prior year. The increase in property taxes, investment income, and state sources contributes to the increase in revenue.
- Expenses for governmental activities went from \$561,915 to \$573,743, an increase of \$11,828 (2.1 percent). Majority of the increase in expenses is due to increased work done on the roads.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

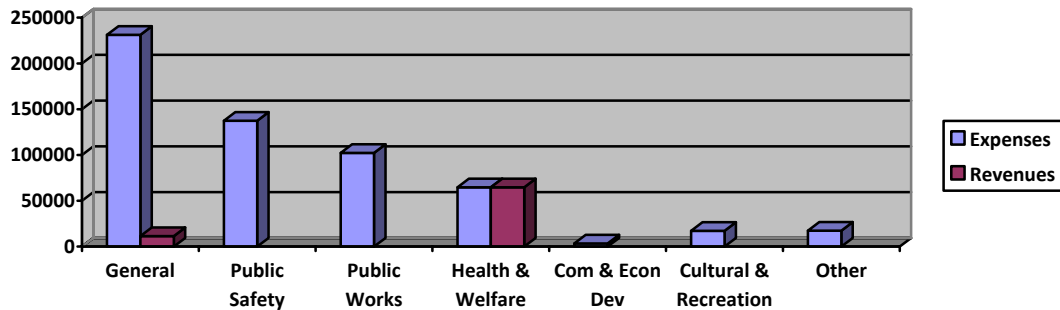
*Revenues by Source
2008*



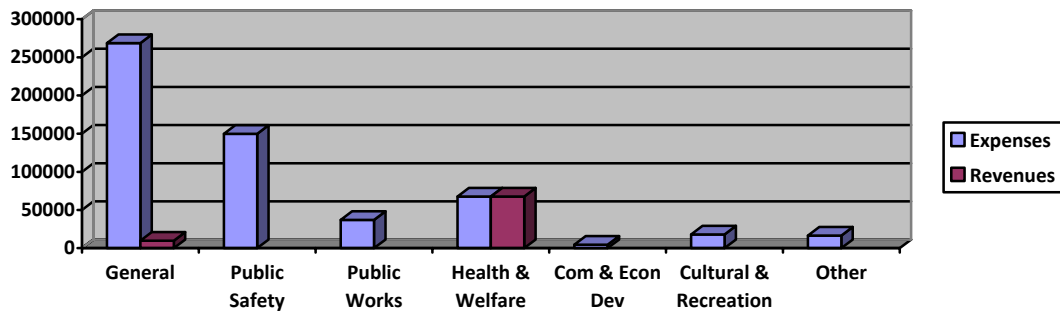
*Revenues by Source
2007*



Expenses and Program Revenues – Governmental Activities 2008



Expenses and Program Revenues – Governmental Activities 2007



Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balance of \$995,150, an increase of \$140,150 in comparison with the prior year. Approximately 93 percent of this total amount (\$928,114) constitutes unreserved fund balance, which is available for spending at the government's discretion, although special revenue funds generally are limited to types of expenditures.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$826,002, while total fund balance reached \$855,621. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 232 percent of total general fund expenditures, while total fund balance represents 240 percent of that same amount.

The fund balance of the Township's general fund increased by \$134,786 during the current fiscal year. The key factors in this increase is as follows:

- Increase in state sources.
- Due to the continued economic downturn the Township departments were very conservative when making purchases. This was also an important factor in limiting the decrease in the general fund net assets.

General Fund Budgetary Highlights

The final amended total budget remained unchanged from the original budget, and the individual fluctuations can be summarized as follows:

- \$14,245 increase in general government activities
- \$14,245 decrease in other functions

The main reason for the changes resulted from reallocating expenses across the different governmental activities. During the year, budgetary estimates for expenditures were more than actually incurred. The main reason for this was the increase in spending for general government and public works. In addition, the Township did not have to use any of the budgeted contingency or emergency funds.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business type activities as of March 31, 2008, amounts to \$923,053 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and office equipment and furniture. The total decrease in the Township's investment in capital assets for the current fiscal year was 3.7% percent.

Major capital asset events during the current fiscal year included the following:

Township of Woodhull's Capital Assets
(net of depreciation)

	Governmental activities	
	2008	2007
Land	\$ 30,072	\$ 30,072
Buildings	768,590	798,882
Land and building improvements	93,487	105,376
Machinery and equipment	24,841	13,857
Office equipment and furniture	6,063	10,305
	<u>\$ 923,053</u>	<u>\$ 958,492</u>

Additional information on the Township's capital assets can be found in Note 4 on page 14 of this report.

Economic Factors and Next Year's Budgets and Rates

Township of Woodhull's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2008 that also promotes and funds numerous project objectives.

The Township has deliberately made conservative estimates concerning state revenue sharing for fiscal year 2008 due to the budget constraints at the State level. It has also estimated investment earnings conservatively anticipating a slow increase in interest rates.

There were no rate increases estimated for fiscal year 2008.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Manager's Office, P.O. Box 166, 7315 West Beard Road, Shaftsbury, Michigan 48882.

BASIC FINANCIAL STATEMENTS

**TOWNSHIP OF WOODHULL
STATEMENT OF NET ASSETS
MARCH 31, 2008**

ASSETS	<u>Governmental activities</u>
CURRENT ASSETS:	
Cash	\$ 671,351
Investments	250,773
Receivables:	
Accounts receivable	51,017
Taxes - current and delinquent	17,352
Due from other governmental units	<u>22,000</u>
TOTAL CURRENT ASSETS	<u>1,012,493</u>
CAPITAL ASSETS:	
Land	30,072
Capital assets, net of accumulated depreciation	<u>892,981</u>
TOTAL CAPITAL ASSETS	<u>923,053</u>
TOTAL ASSETS	<u>1,935,546</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable	3,773
Accrued payroll and related withholding	<u>8,575</u>
TOTAL LIABILITIES	<u>12,348</u>
NET ASSETS:	
Invested in capital assets	923,053
Restricted for perpetual care	37,417
Unrestricted	<u>962,728</u>
TOTAL NET ASSETS	<u><u>\$ 1,923,198</u></u>

**TOWNSHIP OF WOODHULL
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008**

Functions/programs	Expenses	Program revenues	Net (expense) revenue and changes in net assets
		Charges for services	Total governmental activities
Primary government:			
Governmental activities:			
General government	\$ 231,296	\$ 11,485	\$ (219,811)
Public safety	137,365		(137,365)
Public works	102,279		(102,279)
Health and welfare	64,730	64,730	
Community and economic development	3,485		(3,485)
Culture and recreational	17,144		(17,144)
Other functions	17,444		(17,444)
Total governmental activities	<u>\$ 573,743</u>	<u>\$ 76,215</u>	<u>(497,528)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purpose			152,404
LSW fire authority			117,037
State revenue sharing			306,247
Investment earnings			16,484
Cable franchise fees			9,652
Total general revenues			<u>601,824</u>
CHANGE IN NET ASSETS			104,296
NET ASSETS, beginning of year			<u>1,818,902</u>
NET ASSETS, end of year			<u>\$ 1,923,198</u>

TOWNSHIP OF WOODHULL
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2008

		Special revenue fund	Nonmajor permanent fund	Total governmental funds
		Township improvement revolving fund	Cemetery perpetual care fund	
ASSETS		General		
ASSETS:				
Cash	\$ 498,820	\$ 104,068	\$ 68,463	\$ 671,351
Investments	250,773			250,773
Receivables:				
Accounts receivable	51,017			51,017
Taxes - current and delinquent	4,995			4,995
Due from other governmental units	22,000			22,000
Due from fiduciary funds	5,359	6,998		12,357
Due from other funds	40,000			40,000
TOTAL ASSETS	\$ 872,964	\$ 111,066	\$ 68,463	\$ 1,052,493
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 3,773	\$	\$	\$ 3,773
Accrued payroll and related items	8,575			8,575
Deferred revenue	4,995			4,995
Due to other funds		40,000		40,000
TOTAL LIABILITIES	17,343	40,000		57,343
FUND BALANCES:				
Designated for:				
Parks department	\$ 29,619	\$	\$	\$ 29,619
Reserved for perpetual care			37,417	37,417
Undesignated	826,002	71,066	31,046	928,114
TOTAL FUND BALANCES	855,621	71,066	68,463	995,150
TOTAL LIABILITIES AND FUND BALANCES	\$ 872,964	\$ 111,066	\$ 68,463	\$ 1,052,493
Total governmental fund balances				\$ 995,150
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:				
Cost of the capital assets			\$ 1,329,936	
Less accumulated depreciation			406,883	
				923,053
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds				
Delinquent personal property taxes receivable, less allowance for doubtful accounts				4,995
Net assets of governmental activities				\$ 1,923,198

TOWNSHIP OF WOODHULL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

		Special revenue funds			Nonmajor Permanent fund	
	General	Township improvement revolving fund	LSW Fire authority millage fund	Ambulance service fund	Cemetery perpetual care fund	Total governmental funds
REVENUES:						
Local sources:						
Property taxes	\$ 152,819	\$	\$ 117,037	\$	\$	\$ 269,856
Licenses and permits	573					573
Charges for services	970				1,925	2,895
Special assessments	6,092			64,730		70,822
Investment earnings	13,045	3,312			127	16,484
Township hall rental	1,925					1,925
Cable franchise fees	9,652					9,652
Total local sources	185,076	3,312	117,037	64,730	2,052	372,207
State revenue sharing	306,247					306,247
Total revenues	491,323	3,312	117,037	64,730	2,052	678,454
EXPENDITURES:						
Current:						
General governmental	206,742					206,742
Public safety	8,006		117,037			125,043
Public works	102,279					102,279
Health and welfare				64,730		64,730
Community and economic development	3,485					3,485
Culture and recreational	18,581					18,581
Other functions	17,444					17,444
Total expenditures	356,537		117,037	64,730		538,304
NET CHANGE IN FUND BALANCES	134,786	3,312			2,052	140,150
FUND BALANCES:						
Beginning of year	720,835	67,754			66,411	855,000
End of year	\$ 855,621	\$ 71,066	\$	\$	\$ 68,463	\$ 995,150

See notes to financial statements.

**TOWNSHIP OF WOODHULL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 140,150
Governmental funds report capital outlay as expenditures in the statement of activities. These costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(50,712)
Capital outlay	15,273
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Accrued revenue beginning of the year - primarily delinquent personal property tax	(5,410)
Accrued revenue end of the year - primarily delinquent personal property tax	<u>4,995</u>
Change in net assets of governmental activities	<u><u>\$ 104,296</u></u>

**TOWNSHIP OF WOODHULL
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
MARCH 31, 2008**

	Tax collection funds
ASSETS	
Cash	\$ 8,590
Due from other governmental entities	3,767
	\$ 12,357
LIABILITIES	
Liabilities:	
Due to general fund	\$ 5,359
Due to special revenue fund	6,998
	\$ 12,357

**TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Woodhull have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision whether to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based upon the application of these criteria, the financial statements of the Township of Woodhull include the accounts of all Township operations. The Township's major operations include planning and zoning, road maintenance, street lighting, cemetery, paramedic services, cultural and recreational services and general administrative services. Fire protection services are provided through the Laingsburg, Sciota, Woodhull Fire Authority. The Township has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Township.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, are supported by taxes, special assessments, and intergovernmental revenues.

TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Concluded)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Concluded)

The *township improvement revolving fund* is a special revenue fund. It is utilized to account for the Township's funds set aside for future township improvements.

The *LSW fire authority millage fund* is a special revenue fund. It is utilized to account for the Township's fire service tax levy.

The *ambulance service fund* is a special revenue fund. It is utilized to account for the Township's ambulance service special assessment levy.

Additionally, the government reports the following nonmajor fund types:

Permanent fund - The Township utilized the *Cemetery Perpetual Care fund* to account for principal trust amounts received and related interest.

Also, the government reports as fiduciary funds, the tax collection fund (agency fund).

The *agency fund* is utilized to account for the Township's collection of taxes for other governmental units.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments and the public safety millage. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets

1. Cash and Investments

Cash includes amounts in demand deposits. Short term investments include instruments allowed by state statute subsequently described. Short term investments are amortized cost or fair value

State statutes authorize the Township to invest in bonds, securities and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Township is also authorized to invest in U.S. government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

2. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

3. Receivables

Receivables consist primarily of amounts for taxes and customer charges. Delinquent amounts are ultimately added to the tax roll and become a lien on the property. No allowance for doubtful accounts is considered necessary for the accounts and current taxes receivable. An allowance is recorded related to delinquent personal property taxes amounting to fifty percent of the total.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (usage rights), are reported in the applicable governmental activity column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

D. Assets, Liabilities and Net Assets (Concluded)

4. Capital Assets (Concluded)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building	30
Land and building improvements	15
Office equipment and furniture	5 - 7
Machinery equipment	10

5. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

6. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

7. Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - LEGAL COMPLIANCE - BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. Encumbrance accounting is employed in governmental funds. Significant encumbrances outstanding at year, if any, are reported as reservations of fund balance because they will be re-appropriated in the subsequent fiscal year.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first regular Township Board meeting in April, the Township supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
3. After the annual meeting in March and prior to April 1, the budget is legally enacted through passage of a motion.
4. The Township Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the general fund.
6. Budgets for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Township Board at various times. Individual amendments were not material in relation to the original appropriation. All annual appropriations lapse at fiscal year-end.
7. Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

**TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CASH AND INVESTMENTS

As of March 31, 2008, the Township had no investments as defined by generally accepted accounting principles. The investments reported on the face of the financial statements consist of certificates of deposits.

Interest rate risk. In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by: avoiding the need to sell securities prior to maturity and investing operating funds primarily in short term securities, money market mutual funds or similar public investment pools. Securities shall not normally be sold prior to maturity except to minimize loss of principal; to improve the quality, yield or target duration in the portfolio, or to meet liquidity needs.

Credit Risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations, (NRSROs).

Concentration of credit risk. The Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of March 31, 2008, \$443,750 of the Township's bank balance of \$943,750 was exposed to custodial credit risk because it was uninsured and uncollateralized. Certificate of deposits amounted to \$250,773 and are included in the above totals. The amount on the books is \$930,714.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township had no investments at March 31, 2008.

Foreign currency risk. The Township is not authorized to invest in investments which have this type of risk.

The deposits are reported in the financial statements as follows:

Cash - fiduciary fund	\$ 8,590
Cash - township wide	671,351
Investments - township wide (certificates of deposit)	<u>250,773</u>
Total	<u><u>\$ 930,714</u></u>

TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance April 1, 2007	Additions	Deletions	Balance March 31, 2008
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 30,072	\$ -	\$ -	30,072
Capital assets, being depreciated:				
Buildings	930,455			930,455
Land and building improvements	223,305			223,305
Machinery and equipment	87,406	15,273		102,679
Office equipment and furniture	43,425			43,425
Total capital assets, being depreciated	1,284,591	15,273	-	1,299,864
Less accumulated depreciation for:				
Buildings	131,573	30,292		161,865
Land and building improvements	117,929	11,889		129,818
Machinery and equipment	73,548	4,290		77,838
Office equipment and furniture	33,121	4,241		37,362
Total accumulated depreciation	356,171	50,712	-	406,883
Total capital assets, being depreciated, net	928,420	(35,439)	-	892,981
Total	\$ 958,492	\$ (35,439)	\$ -	\$ 923,053

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 24,554
Public safety	20,223
Cultural and recreational	5,935
Total depreciation - governmental activities	\$ 50,712

**TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of March 31, 2008 is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General	Special revenue - township improvement revolving fund	<u>\$ 40,000</u>

The outstanding balance between funds result mainly from expenditures paid for by the general fund. The general fund expects to collect the balance in the subsequent year.

NOTE 6 - PROPERTY TAX

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due without penalty prior to February 14. The Township bills and collects its own property taxes and also the taxes for the county, intermediate school district, community college and school districts. School district taxes are also collected and remitted to schools in July, August and September. Any taxes uncollected at September 14 are added to the winter tax roll. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Property taxes levied for the ensuing year's revenue are included in taxes receivable and deferred revenue. Property tax receivables related to delinquent taxes are also deferred unless collected within 60 days of year-end.

The Township is permitted by state statute to levy taxes up to \$1.00 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The Township levied \$.9151 per \$1,000 of assessed valuation for general government services.

Also the Township levied \$.9873 to provide fire, emergency services, including maintaining and operating a fire department, fire hall and related equipment.

NOTE 7 - PENSION PLAN

The Township of Woodhull has a Group Pension Plan which was established on May 1, 1984. This defined contribution plan covers only the board members of the Township. Vesting occurs upon entry into the plan. The contribution rate is set within the plan to increase at each \$1,000 increment of wages paid. The Township contributes 75% of the calculated annual contribution, with the employee contributing 25%. An employee may contribute an additional amount up to 50% of compensation. Total payroll expense for 2008 and 2007 were \$97,881 and \$93,041, respectively. The amount of payroll covered under the plan and corresponding pension costs for 2008 and 2007 amounted to \$53,450 and \$52,200, respectively. The pension expense for 2007 and 2006 were \$9,367 and \$9,422, respectively.

TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - RELATED-PARTY TRANSACTIONS

As described in Note 1, Woodhull Township participates in a joint fire operation with the City of Laingsburg and Sciota Township. Fire Department operations are the responsibility of the Fire Authority. Transactions between the Fire Authority and Woodhull Township consist mainly of millage transfers for Woodhull Township's share of fire department operations. Total payments to the Fire Authority amounted to \$117,037 and \$118,508 in 2008 and 2007, respectively, and are recorded in a special revenue fund.

NOTE 9 - JOINT VENTURE

Under authorization of State of Michigan statutes, Woodhull Township joined the City of Laingsburg and the Township of Sciota to form the Laingsburg, Sciota and Woodhull Fire Authority which provides fire protection services, emergency medical services and other emergency or safety services. Each governmental unit provides one member to the Board of Directors of the Fire Authority. The operating and capital budgets are funded by contributions from each government based on their respective tax valuations as they bear to total tax valuations.

Audited financial statements of the Fire Authority may be obtained from the Laingsburg, Scioto, Woodhull Fire Authority, 114 Woodhull Street, P.O. Box 96, Laingsburg, Michigan 48848. Condensed financial information of the Fire Authority as of March 31, 2008 is as follows:

Current assets	\$ 572,460
Non-current assets	982,390
	<hr/>
Total assets	\$ 1,554,850
	<hr/>
Liabilities	\$ 13,994
Net assets	1,540,856
	<hr/>
Total liabilities and net assets	\$ 1,554,850
	<hr/>
Expenses	\$ 463,728
	<hr/>
Revenues:	
Charges for services	184,303
General revenues	346,092
	<hr/>
Total revenues	530,395
	<hr/>
Change in net assets	\$ 66,667
	<hr/>

**TOWNSHIP OF WOODHULL
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above described activities. No settlements have incurred in excess of coverage for the year ended March 31, 2008 or any of the prior three years.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF WOODHULL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
REVENUES:				
Taxes:				
Real property taxes	\$128,495	\$ 128,495	\$124,439	\$ (4,056)
Trailer park fees	662	662	535	(127)
Property tax administration fee	36,907	36,907	27,845	(9,062)
Licenses and permits	275	275	573	298
Charges for services	2,500	2,500	970	(1,530)
Special assessments	5,500	5,500	6,092	592
Investment earnings	7,000	7,000	13,045	6,045
Township hall rental	4,000	4,000	1,925	(2,075)
Cable franchise fees	9,000	9,000	9,652	652
State revenue sharing	263,856	263,856	306,247	42,391
	<u>458,195</u>	<u>458,195</u>	<u>491,323</u>	<u>33,128</u>
Total revenues				
	<u>458,195</u>	<u>458,195</u>	<u>491,323</u>	<u>33,128</u>
EXPENDITURES:				
Current:				
General government:				
Township board	24,250	24,250	19,113	5,137
Township supervisor	18,550	18,550	17,087	1,463
Elections	2,550	2,550	1,279	1,271
Attorney	2,500	2,500	1,530	970
Auditor	10,000	14,835	14,835	-
Assessors	23,000	23,600	22,662	938
Clerk	27,400	27,400	22,596	4,804
Board of review	2,020	2,020	921	1,099
Treasurer	37,000	37,000	32,221	4,779
Township hall and grounds	50,000	50,000	43,241	6,759
Cemetery	24,750	33,560	31,257	2,303
	<u>222,020</u>	<u>236,265</u>	<u>206,742</u>	<u>29,523</u>
Total general government				
	<u>222,020</u>	<u>236,265</u>	<u>206,742</u>	<u>29,523</u>

TOWNSHIP OF WOODHULL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
EXPENDITURES (Continued):				
Public safety:				
Firehall	<u>\$ 21,500</u>	<u>\$ 21,500</u>	<u>\$ 8,006</u>	<u>\$ 13,494</u>
Public works:				
Highways, streets and bridges				
Road maintenance, materials and supplies	105,005	105,005	90,075	14,930
Street lighting	<u>15,000</u>	<u>15,000</u>	<u>12,204</u>	<u>2,796</u>
	<u>120,005</u>	<u>120,005</u>	<u>102,279</u>	<u>17,726</u>
Current:				
Community and economic development:				
Planning commission	<u>7,385</u>	<u>7,385</u>	<u>3,485</u>	<u>3,900</u>
Health and Welfare:				
Ambulance	<u>22,000</u>	<u>22,000</u>		<u>22,000</u>
Cultural and recreational:				
Recreation/parks department	<u>24,285</u>	<u>24,285</u>	<u>18,581</u>	<u>5,704</u>
Other functions:				
Retirement - local unit share	15,000	15,000	9,367	5,633
Social security - local unit share	10,000	10,000	8,077	1,923
Contingency	15,000	755		755
Emergency	<u>1,000</u>	<u>1,000</u>		<u>1,000</u>
Total other functions	<u>41,000</u>	<u>26,755</u>	<u>17,444</u>	<u>9,311</u>
Total expenditures	<u>458,195</u>	<u>458,195</u>	<u>356,537</u>	<u>101,658</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>134,786</u>	<u><u>\$ 134,786</u></u>
FUND BALANCE:				
Beginning of year			<u>720,835</u>	
End of year			<u><u>\$ 855,621</u></u>	

**TOWNSHIP OF WOODHULL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TOWNSHIP IMPROVEMENT REVOLVING FUND
SPECIAL REVENUE FUND
YEAR ENDED MARCH 31, 2008**

	<u>Original/ final budget</u>	<u>Actual</u>	<u>Variance final budget- positive (negative)</u>
REVENUES:			
Investment earnings	<u>\$ 1,329</u>	\$ 3,312	<u>\$ 1,983</u>
FUND BALANCE:			
Beginning of year		<u>67,754</u>	
End of year		<u>\$ 71,066</u>	

**TOWNSHIP OF WOODHULL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LSW FIRE AUTHORITY MILLAGE FUND
SPECIAL REVENUE FUND
YEAR ENDED MARCH 31, 2008**

	<u>Original/ final budget</u>	<u>Actual</u>	<u>Variance final budget- positive (negative)</u>
REVENUES:			
Fire millage	\$ 124,414	\$ 117,037	\$ (7,377)
EXPENDITURES:			
Public safety:			
Fire operations	<u>124,414</u>	<u>117,037</u>	<u>7,377</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$</u></u>		<u><u>\$</u></u>
FUND BALANCE:			
Beginning of year		<u> </u>	
End of year		<u><u>\$</u></u>	

**TOWNSHIP OF WOODHULL
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
AMBULANCE SERVICE FUND
SPECIAL REVENUE FUND
YEAR ENDED MARCH 31, 2008**

	<u>Original/ final budget</u>	<u>Actual</u>	<u>Variance final budget- positive (negative)</u>
REVENUES:			
Special assessment	\$ 69,435	\$ 64,730	\$ (4,705)
EXPENDITURES:			
Health and welfare:			
Ambulance operations	<u>69,435</u>	<u>64,730</u>	<u>4,705</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$</u></u>		<u><u>\$</u></u>
FUND BALANCE:			
Beginning of year		<u> </u>	
End of year		<u><u>\$</u></u>	

ADDITIONAL INFORMATION

**TOWNSHIP OF WOODHULL
GENERAL FUND
BALANCE SHEETS
MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
ASSETS:		
Cash	\$ 498,820	\$ 436,391
Investments	250,773	242,334
Receivables:		
Accounts receivable	51,017	9,265
Taxes - current and delinquent	4,995	5,410
Due from other governmental units	22,000	
Due from fiduciary fund	5,359	3,216
Due from other funds	40,000	40,000
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 872,964</u>	<u>\$ 736,616</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 3,773	\$ 1,400
Accrued payroll and related items	8,575	8,971
Deferred revenue	4,995	5,410
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>17,343</u>	<u>15,781</u>
FUND BALANCE:		
Designated for:		
Parks department	29,619	29,619
Undesignated	826,002	691,216
	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>855,621</u>	<u>720,835</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 872,964</u>	<u>\$ 736,616</u>

**TOWNSHIP OF WOODHULL
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
REVENUES:		
Taxes:		
Real property taxes	\$ 124,439	\$ 97,699
Trailer park fees	535	664
Property tax administration fee	27,845	46,577
Licenses and permits	573	75
Charges for services	970	2,535
Special assessments	6,092	3,890
Investment earnings	13,045	9,596
Township hall rental	1,925	3,150
Cable franchise fees	9,652	9,264
State revenue sharing	<u>306,247</u>	<u>262,690</u>
 Total revenue	 <u>491,323</u>	 <u>436,140</u>
 EXPENDITURES:		
Current:		
General government:		
Township board	19,113	23,988
Township supervisor	17,087	16,985
Elections	1,279	2,347
Attorney	1,530	-
Auditor	14,835	9,600
Assessing	22,662	62,449
Clerk	22,596	21,707
Board of review	921	1,174
Treasurer	32,221	33,252
Township hall and grounds	43,241	41,660
Cemetery	<u>31,257</u>	<u>26,481</u>
 Total general government	 <u>206,742</u>	 <u>239,643</u>

**TOWNSHIP OF WOODHULL
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
EXPENDITURES (Continued):		
Current:		
Public safety:		
Firehall	\$ 8,006	\$ 1,000
Public works:		
Highways, streets and bridges		
Road maintenance, materials and supplies	90,075	22,518
Street lighting	12,204	12,959
Total public works	102,279	35,477
Community and economic development:		
Planning commission	3,485	4,429
Recreation and cultural:		
Recreation/parks department	18,581	15,776
Other functions:		
Retirement - local unit share	9,367	9,422
Social security - local unit share	8,077	7,047
Total other functions	17,444	16,469
Total expenditures	356,537	312,794
Net change in fund balance	134,786	123,346
FUND BALANCE:		
Beginning of year	720,835	597,489
End of year	\$ 855,621	\$ 720,835

**TOWNSHIP OF WOODHULL
TOWNSHIP IMPROVEMENT REVOLVING FUND
SPECIAL REVENUE FUND
BALANCE SHEETS
MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 104,068	\$ 100,756
Due from other funds	<u>6,998</u>	<u>6,998</u>
	<u>\$ 111,066</u>	<u>\$ 107,754</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to general fund	\$ 40,000	\$ 40,000
Fund balance - undesignated	<u>71,066</u>	<u>67,754</u>
	<u>\$ 111,066</u>	<u>\$ 107,754</u>

**TOWNSHIP OF WOODHULL
TOWNSHIP IMPROVEMENT REVOLVING FUND
SPECIAL REVENUE FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
REVENUES:		
Investment earnings	\$ 3,312	\$ 4,301
FUND BALANCE, beginning of year	<u>67,754</u>	<u>63,453</u>
FUND BALANCE, end of year	<u><u>\$ 71,066</u></u>	<u><u>\$ 67,754</u></u>

**TOWNSHIP OF WOODHULL
LSW FIRE AUTHORITY MILLAGE FUND
SPECIAL REVENUE FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
REVENUES:		
Fire millage	\$ 117,037	\$ 118,508
EXPENDITURES:		
Public safety:		
Fire operations	<u>117,037</u>	<u>118,508</u>
EXCESS OF REVENUES OVER EXPENDITURES		
FUND BALANCE, beginning of year	<u> </u>	<u> </u>
FUND BALANCE, end of year	<u><u>\$</u></u>	<u><u>\$</u></u>

**TOWNSHIP OF WOODHULL
AMBULANCE SERVICE FUND
SPECIAL REVENUE FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
REVENUES:		
Special assessment	\$ 64,730	\$ 67,679
EXPENDITURES:		
Health and welfare:		
Ambulance operations	<u>64,730</u>	<u>67,679</u>
EXCESS OF REVENUES OVER EXPENDITURES		
FUND BALANCE, beginning of year	<u> </u>	<u> </u>
FUND BALANCE, end of year	<u><u>\$</u></u>	<u><u>\$</u></u>

TOWNSHIP OF WOODHULL
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2008

TOTAL ALL AGENCY FUNDS	Balance April 1, 2007	Additions	Deductions	Balance March 31, 2008
ASSETS				
Cash	\$ 10,214	\$ 3,566,267	\$ 3,567,891	\$ 8,590
LIABILITIES				
Due to general fund	\$ 3,216	\$ 148,506	\$ 146,363	\$ 5,359
Due to special revenue fund	6,998			6,998
Due to LSW fire authority		181,767	181,767	
Due to county	-	1,613,144	1,612,914	230
Due to intermediate school district		476,281	476,289	(8)
Due to community college		24,730	24,735	(5)
Due to schools		1,111,333	1,115,317	(3,984)
Due to others		10,507	10,507	
	\$ 10,214	\$ 3,566,268	\$ 3,567,892	\$ 8,590

TOWNSHIP OF WOODHULL
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2008

	Balance April 1, 2007	Additions	Deductions	Balance March 31, 2008
CURRENT TAX COLLECTION FUND				
ASSETS				
Cash	\$ 10,180	\$ 3,562,781	\$3,564,399	\$ 8,562
LIABILITIES				
Due to general fund	\$ 3,182	\$ 147,925	\$ 145,776	\$ 5,331
Due to special revenue fund	6,998			6,998
Due to LSW fire authority		181,767	181,767	
Due to county	-	1,612,563	1,612,333	230
Due to intermediate school districts	-	476,281	476,289	(8)
Due to community college		24,730	24,735	(5)
Due to schools		1,109,009	1,112,993	(3,984)
Due to others	-	10,507	10,507	
	<u>\$ 10,180</u>	<u>\$ 3,562,782</u>	<u>\$3,564,400</u>	<u>\$ 8,562</u>
TRAILER TAX COLLECTION FUND				
ASSETS				
Cash	\$ 34	\$ 3,486	\$ 3,492	\$ 28
LIABILITIES				
Due to general fund	\$ 34	\$ 581	\$ 587	\$ 28
Due to county		581	581	
Due to schools		2,324	2,324	
	<u>\$ 34</u>	<u>\$ 3,486</u>	<u>\$ 3,492</u>	<u>\$ 28</u>



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Leon A. Ellis (1933-1988)

July 22, 2008

Township Supervisor and
Members of the Township Board
Township of Woodhull
Shaftsbury, Michigan

In planning and performing our audit of the financial statements of the Township of Woodhull as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township of Woodhull's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

Financial Statements (Repeat Comment)

Effective for the year ended March 31, 2008, Statement on Auditing Standards #112 titled Communicating Internal Control Related Matters Identified in an Audit (issued May 2006), requires us to communicate in writing when a client requires assistance to prepare the footnotes required in the annual audit report in accordance with accounting principles generally accepted in the United States of America. The staff of the Township does understand all information included in the annual financial statement; however, we assist in preparing the footnotes to the annual financial statements. We do not recommend any changes to this situation at this time and communicate this as required by professional standards.

Journal Entries

During the audit, we noted several accounts that had not been adjusted for the prior year, and to adjust these accounts, it was necessary for us to make a material journal entry. We do not recommend any changes to this situation at this time and communicate this as required by professional standards.

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated July 22, 2008 on the financial statements of Township of Woodhull. Our comments are summarized as follows.

Chart of Accounts (Repeat Comment)

During the audit, we noticed that a few of the account numbers vary from the state mandated account structure. We recommend that the Township review the mandated structure and adjust their account code accordingly. We understand the appropriate changes have been made.

Bank Reconciliations

At present, the Treasurer receives funds, makes an initial listing of the funds received, records the activity, and prepares the bank reconciliations on the accounting system. In order to enhance the system of internal controls, we recommend that the bank reconciliations be printed and attached to the bank statements. Then, when someone independent of the accounting function reviews the bank reconciliations, they can sign off on the bank reconciliation.

Tax Receipts

During the course of our property tax testing, we became aware of several tax receipts for which there was a lag between the receipt and deposit into the bank. This should be reviewed and the Township should subsequently consider making deposits for tax receipts in a more timely matter.

Internal Control

It is inherently difficult in a small organization to maintain a strong system of internal control because of the inability to always segregate accounting duties. Strong interest and concern by board members and management along with scrutiny of monthly financial reports are typically a small organization's strongest controls.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of Township of Woodhull, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Maner, Costeusan + Ellis, P.C.



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July 22, 2008

Township Supervisor and
Members of the Township Board
Township of Woodhull
Shaftsburg, Michigan

We have audited the financial statements of the Township of Woodhull for the year ended March 31, 2008, and have issued our report thereon dated July 22, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 27, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township of Woodhull are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were estimated fixed asset lives for depreciation.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There was no sensitive disclosure affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed an adjustment that we consider to be significant and have communicated this to management in our letter dated July 22, 2008.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 22, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Township Supervisor, members of the Township Board and management of the Township of Woodhull and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Maner, Costeusan + Ellis, P.C.